

THE EXCHANGE HAS NEITHER APPROVED NOR DISAPPROVED THE INFORMATION CONTAINED IN THIS FILING STATEMENT, WHICH IS A REPRODUCTION OF THE ORIGINAL FILED WITH THE EXCHANGE BY THE COMPANY AND IS ISSUED FOR INFORMATION PURPOSES ONLY. THIS FILING STATEMENT IS NOT TO BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN APPROVAL OF THE TORONTO STOCK EXCHANGE.

THE TORONTO STOCK EXCHANGE

17/4/69

FILING STATEMENT NO. 1686.  
FILED, APRIL 22nd, 1969.

PRAIRIE OIL ROYALTIES COMPANY, LTD.

Full corporate name of Company

Incorporated under the laws of the Province of Saskatchewan on July 13, 1951

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953 (Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	<p>The sale by Canadian Industrial Gas &amp; Oil Ltd. (CIGOL) of up to 152,790 issued shares of the Company, comprising part of the 1,527,909 shares of the Company owned by CIGOL, through the facilities of the Toronto Stock Exchange, pursuant to a ruling by the Ontario Securities Commission that the sale of up to 15,279 shares of the Company without a filing statement, and that upon the filing of a filing statement the sale of up to 137,511 further shares, shall be deemed not to constitute a primary distribution to the public.</p> <p>As a result of the foregoing ruling, this Filing Statement is filed in connection with the sale of up to 137,511 shares.</p> <p>During the period of the offering the offeror may make bids or purchases for the purpose of stabilizing the open market price of the shares as permitted by Ruling No. 81 of the Exchange and will comply with by-laws, rulings and regulations of the Exchange pertaining to orderly marketing of the shares.</p>		
2. Head office address and any other office address.	640 - 8th Avenue S. W., Calgary 2, Alberta.		
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	See Schedule A on pages 3 and 4		
4. Share capitalization showing authorized and issued and outstanding capital.	As at March 31, 1969	Authorized	Issued
	Shares of \$1.00 par value	2,500,000	1,961,520
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	None		
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	None		
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	None		



8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None																					
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	See Schedule B on pages 5 and 6.																					
10. Brief statement of company's chief development work during past year.	See Schedule B on pages 5 and 6.																					
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not Applicable																					
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not Applicable																					
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	Not Applicable																					
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Not Applicable																					
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table><tr><th></th><th><u>Name and Address</u></th><th><u>No. of Shares</u></th></tr><tr><td>1.</td><td>Canadian Industrial Gas &amp; Oil Ltd., 640 - 8th Avenue S. W., Calgary 2, Alberta.</td><td>1,527,909</td></tr><tr><td>2.</td><td>Merrill Lynch, Pierce, Fenner &amp; Smith Inc. * 70 Pine Street, New York, N. Y. 10005.</td><td>35,734</td></tr><tr><td>3.</td><td>Merrill Lynch, Pierce, Fenner &amp; Smith Inc. * 11 King Street West, Toronto, Ontario.</td><td>18,640</td></tr><tr><td>4.</td><td>F. S. Moseley &amp; Co. * 50 Congress Street, Boston 2, Mass.</td><td>14,600</td></tr><tr><td>5.</td><td>Lehman Brothers, * 1 William Street, New York, N. Y. 10004.</td><td>14,300</td></tr><tr><td>6.</td><td>Walston &amp; Co. Inc., * 74 Wall Street, New York, N. Y. 10005</td><td>11,332</td></tr></table> <p>* We assume that these shares are not owned beneficially by the firms specified, but we have no knowledge as to whether such is the case.</p>		<u>Name and Address</u>	<u>No. of Shares</u>	1.	Canadian Industrial Gas & Oil Ltd., 640 - 8th Avenue S. W., Calgary 2, Alberta.	1,527,909	2.	Merrill Lynch, Pierce, Fenner & Smith Inc. * 70 Pine Street, New York, N. Y. 10005.	35,734	3.	Merrill Lynch, Pierce, Fenner & Smith Inc. * 11 King Street West, Toronto, Ontario.	18,640	4.	F. S. Moseley & Co. * 50 Congress Street, Boston 2, Mass.	14,600	5.	Lehman Brothers, * 1 William Street, New York, N. Y. 10004.	14,300	6.	Walston & Co. Inc., * 74 Wall Street, New York, N. Y. 10005	11,332
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SCHEDULE A

PRAIRIE OIL ROYALTIES COMPANY, LTD.

DIRECTORS

<u>Name and Address</u>	<u>Chief Occupation for the past 5 years</u>
SENATOR JOHN B. AIRD, Q. C. Toronto, Ontario.	Barrister and Solicitor with Edison, Aird & Berlis. Member of the Senate of Canada since November 1964. Chairman of the Board of Directors of the Company since July 1963.
E. G. BATTLE Calgary, Alberta.	President of the Company, Executive Vice President of Canadian Industrial Gas & Oil Ltd. since August, 1966. From 1963 to March, 1965, Vice President of Medallion Petroleums Limited and from March, 1965 to August, 1966, Vice President (Production) of Canadian Industrial Gas & Oil Ltd.
STEWART R. DYCKMAN Calgary, Alberta.	Vice President (Finance) of Canadian Industrial Gas & Oil Ltd. since March, 1965. Prior to that an Officer of Canadian Industrial Gas Limited.
E. A. GALVIN Calgary, Alberta.	Since July, 1966, Director and Vice President of Northern and Central Gas Corporation Limited. Since March, 1965, President and Chief Executive Officer of Canadian Industrial Gas & Oil Ltd. From 1964 to 1965, Director, President and Chief Executive Officer of Canadian Industrial Gas Limited. Prior to March, 1965, Director, President and General Manager of Medallion Petroleums Limited.
B. R. B. GORE Calgary, Alberta.	Since March, 1965, Manager of Contracts of Canadian Industrial Gas & Oil Ltd. and Secretary of that company from 1965 to 1967. Prior thereto Manager of Legal and Land Departments and Assistant Secretary of Medallion Petroleums Limited.
W. A. LOUCKS Calgary, Alberta.	Vice President of the Company. Since March, 1965, Vice President (Exploration) of Canadian Industrial Gas & Oil Ltd. Prior thereto Exploration Manager of Medallion Petroleums Limited.
F. A. McKINNON Calgary, Alberta.	Director, Vice President and General Manager of Triad Oil Company, Ltd. since 1961.
C. A. RAE Calgary, Alberta.	Barrister and Solicitor. Partner with Macleod, Dixon, Burns & Company, Barristers and Solicitors, since February, 1966, and an associate with that firm since July, 1962.



SCHEDULE A - Continued

DIRECTORS

<u>Name and Address</u>	<u>Chief Occupation for the past 5 years</u>
D. K. RUSSELL New York, New York.	An associate with Lehman Brothers since September 1, 1965. Prior thereto an oil analyst with Lehman Corporation and consultant to Lehman Brothers.
D. M. TYERMAN, Q. C. Regina, Saskatchewan.	Secretary of the Company. Barrister and Solicitor with MacPherson, Leslie & Tyerman.

OFFICERS

SENATOR JOHN B. AIRD, Q. C. Toronto, Ontario.	Chairman of the Board of Directors of the Company since July, 1963. Barrister and Solicitor with Edison, Aird & Berlis. Member of the Senate of Canada since November, 1964.
E. G. BATTLE Calgary, Alberta.	President of the Company. Executive Vice President of Canadian Industrial Gas & Oil Ltd. since August, 1966. From 1963 to March, 1965 Vice President of Medallion Petroleums Limited and from March, 1965 to August, 1966, Vice President (Production) of Canadian Industrial Gas & Oil Ltd.
W. A. LOUCKS Calgary, Alberta.	Vice President of the Company. Since March, 1965, Vice President (Exploration) of Canadian Industrial Gas & Oil Ltd. Prior thereto Exploration Manager of Medallion Petroleums Limited.
D. M. TYERMAN, Q. C. Regina, Saskatchewan.	Secretary of the Company. Barrister and Solicitor with MacPherson, Leslie & Tyerman.
A. K. DAVIES Calgary, Alberta.	Treasurer of the Company. Since 1967 Treasurer of Canadian Industrial Gas & Oil Ltd. and prior thereto Comptroller of that company and of Medallion Petroleums Limited, a predecessor of Canadian Industrial Gas & Oil Ltd.
L. A. SILLS Calgary, Alberta.	Assistant Secretary of the Company. Since 1967 the Secretary of Canadian Industrial Gas & Oil Ltd., and prior thereto Assistant Secretary of that company and of its predecessor companies.
J. D. S. BOHME, Q. C. Toronto, Ontario.	Assistant Secretary of the Company. Barrister and Solicitor with Edison, Aird & Berlis.



SCHEDULE B

PRAIRIE OIL ROYALTIES COMPANY, LTD.

The Company was incorporated under the laws of the Province of Saskatchewan on July 13, 1951, primarily to own and hold royalty interests and mineral interests in prospective oil and gas acreage in Western Canada. It was registered to do business in the Province of British Columbia in 1952, in the Province of Manitoba in 1959, and in the Province of Alberta in 1961.

From 1951 to 1962 the Company's income was derived predominantly from royalties on the production of oil and gas from leases resulting from the exploration efforts of other companies. The Company had no staff, but was managed by other companies, latterly, Devon-Palmer Oils Ltd.

From 1962 the Company's policy was expanded to include participation in the exploration for, and development and acquisition of, oil and gas reserves. In 1963 Devon-Palmer terminated the management contract, and since the Company planned to continue its active exploration program, it employed certain key personnel and other staff, and established an operational office in Calgary, Alberta.

In 1966, Canadian Industrial Gas & Oil Ltd. acquired by a share exchange offer, a controlling interest in the Company and by contract assumed its management. To date, the majority of the Company's income is still derived from royalties, though it is aggressively pursuing an exploration program.

The Company in 1953 first acquired shares of British Columbia Oil Lands Ltd. (NPL) and, as at the date hereof, holds 333,531 shares of that company, equal to approximately 35% of its issued and outstanding capital. Prairie Gas and Oil Ltd. was incorporated in 1965 under the laws of the State of North Dakota as a wholly-owned subsidiary of the Company to hold working interests and royalty interests in that State. Prairie Oil Exploration Ltd., another wholly-owned subsidiary, was incorporated in 1967 under the laws of the Province of Saskatchewan to participate in the acquisition of land and the exploration for, and development of, oil and gas reserves. The land holdings of the Company and its subsidiaries, as well as those of British Columbia Oil Lands Ltd., are shown on pages 3 to 5, inclusive, of the 1968 Annual Report.

From January 1, 1968 to date the Company's chief development work has been as follows:

The Company itself drilled in Alberta the following wells with costs indicated:

Can Delhi et al Big Bend 11- 8-67-26 W4M	\$18,566
Can Delhi et al Big Bend 10-31-68-26 W4M	7,000

Prairie Oil Exploration Ltd., a wholly-owned subsidiary, drilled the following wells, with costs indicated:

In Alberta: -

Can Delhi et al Big Bend 7-25-66-27 W4M	\$21,675
Can Delhi et al Big Bend 7-12-67-26 W4M	21,850
POX Bashaw 6-35-41-22 W4M	44,500
POX Cherhill 10-9-56-5 W5M	64,200
CIGOL POX Cessford 7-6-23-12 W4M	12,650
CIGOL IOE Kinuso 10-24-72-10 W5M	39,450
POX Cherhill 11-8-56-5 W5M	48,750



**In Saskatchewan: -**

KPL Garvey Oxbow 13-13-2-2 W2M	\$14,100
Kissinger POX Souris Flat 11-23-1-34 W1M	29,220
CIGOL POX W Hoosier 10-4-32-28 W3M	12,000
KPL Prairie IOE N Benson 16-14-7-8 W2M	26,950

Prairie Oil Exploration Ltd. made the following land acquisitions of undeveloped land costing more than \$10,000 (with costs as indicated):

**In the following areas of Alberta: -**

Willesden Green	\$18,816
Cherhill	97,232
Cessford (Steveville)	34,000
Ghost Pine	19,845

**In the following area of Saskatchewan: -**

Willmar	11,217
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Prairie Oil Exploration Ltd. spent \$36,000 on seismic program in the Cherhill area of Alberta.

Prairie Oil Exploration Ltd. spent \$23,000 on the purchase of natural gas reserves in the Ghost Pine, Alberta, gas field and \$28,000 for its share in production and plant facilities there.

In addition Prairie Oil Exploration Ltd. spent \$22,000 for its share in production and plant facilities in the Three Hills, Alberta, gas field.

The Company plans in the future to continue directly, or through its wholly-owned subsidiaries, the policy of exploration for, and development of, oil and gas reserves, and the development of its present holdings, the purchase of developed properties, and the sale of production on the same basis as heretofore. While at present there are no specific plans for extension of present operations into related fields, the Company's management will consider the merits of such extensions in the light of circumstances at that time.

The Company has a 14% working interest in certain acreage located on the Sabine Peninsula of Melville Island in the Arctic Islands and B.C. Oil Lands Ltd., a company 35% owned by the Company also has a 14% working interest in this land. Under the terms of a working agreement with Panarctic Oils Limited by the drilling of certain wells and the spending of designated sums of money, Panarctic Oils Limited could earn an interest of between 44.5% and 77.5% in such land, which accordingly could reduce the interests of both the Company and B.C. Oil Lands Ltd. to between 7.8% and 3.1%.



# FINANCIAL STATEMENTS

## Financial Statements

### PRAIRIE OIL ROYALTIES COMPANY, LTD. AND SUBSIDIARY COMPANIES CONSOLIDATED BALANCE SHEET FEBRUARY 28, 1969 (unaudited)

#### ASSETS

##### CURRENT ASSETS

Cash		\$ (11,941)
Short-term deposits		700,000
Accounts receivable		113,125
Prepaid expenses, deposits and other		<u>34,639</u>
		<u>835,823</u>

##### INVESTMENTS, at cost

British Columbia Oil Lands Ltd.		2,009,117
Other		<u>20</u>

2,009,137

##### PROPERTY, PLANT AND EQUIPMENT, at cost

Oil and gas properties	\$3,108,532	
Oil and gas production equipment	<u>522,067</u>	3,630,599

##### Less:

Accumulated depletion	572,846	
Accumulated depreciation	<u>169,925</u>	<u>742,771</u>

2,887,828

\$5,732,788

#### LIABILITIES

##### CURRENT LIABILITIES

Accounts payable		\$ <u>50,501</u>
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#### SHAREHOLDERS' EQUITY

##### CAPITAL STOCK

Authorized - 2,500,000 shares of \$1.00 par value		
Issued - 1,961,520 shares		\$1,961,520

##### PAID-IN SURPLUS

574,330

##### RETAINED EARNINGS

3,146,437

\$5,682,287

\$5,732,788

There have been no material changes in the financial position of the Company from February 28, 1969 to April 11, 1969.

*E. J. Battle*

Director

*M. J. Reesor*

Director



PRAIRIE OIL ROYALTIES COMPANY, LTD.  
AND SUBSIDIARY COMPANIES  
CONSOLIDATED STATEMENT OF EARNINGS AND RETAINED EARNINGS  
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 1969  
(unaudited)

REVENUE

Sales of oil	\$ 497,531
Sales of gas	109,964
Interest	27,892
Miscellaneous	<u>244</u>
	<u>635,631</u>

EXPENSES

Production	63,035
General and administrative	67,176
Depletion	108,784
Depreciation	<u>31,736</u>
	<u>270,731</u>

NET EARNINGS

364,900

Retained earnings at beginning of period

2,781,537

RETAINED EARNINGS AT END OF PERIOD

\$3,146,437

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 1969  
(unaudited)

FUNDS DERIVED FROM

Operations	
Net income	\$ 364,900
Non-cash items	<u>140,520</u>
	<u>505,420</u>

FUNDS APPLIED TO

Property, plant and equipment	<u>475,538</u>
	<u>475,538</u>

INCREASE IN WORKING CAPITAL

\$ 29,882

*E. J. Battle* Director

*W. H. Housh* Director



16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	Canadian Industrial Gas & Oil Ltd., 640 - 8th Avenue S. W., Calgary 2, Alberta.																		
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	Investments as at March 31, 1969 (other than in subsidiaries which have been consolidated in the Balance Sheet delivered herewith.) <table><tr><th></th><th><u>Approx. Market Value</u></th><th><u>Cost</u></th></tr><tr><td>British Columbia Oil Lands Ltd. (Non-Personal Liability)</td><td></td><td></td></tr><tr><td>333,531 shares</td><td>\$5,336,496</td><td>\$2,009,117</td></tr><tr><td>Alberta Gas Trunk Line Company Limited</td><td></td><td></td></tr><tr><td>4 Class B Group III Common shares</td><td>Nil</td><td>20</td></tr><tr><td></td><td></td><td><u>\$2,009,137</u></td></tr></table>		<u>Approx. Market Value</u>	<u>Cost</u>	British Columbia Oil Lands Ltd. (Non-Personal Liability)			333,531 shares	\$5,336,496	\$2,009,117	Alberta Gas Trunk Line Company Limited			4 Class B Group III Common shares	Nil	20			<u>\$2,009,137</u>
	<u>Approx. Market Value</u>	<u>Cost</u>																	
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Alberta Gas Trunk Line Company Limited																			
4 Class B Group III Common shares	Nil	20																	
		<u>\$2,009,137</u>																	
18. Brief statement of any lawsuits pending or in process against company or its properties.	There are no lawsuits pending or in process against the Company or its properties which could have a material adverse effect upon the Company.																		
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	The Company is party to a number of material contracts as a function of its normal oil and gas business as described in Schedule "C" hereto.																		
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no shares of the Company which are in the course of primary distribution to the public; however, reference is made to the sale of 137,511 shares of the Company referred to in Item 1 of this Filing Statement. This Filing Statement is not to be construed as a prospectus or as a report by, or on behalf of, the Company or any signatory thereto, or any person for the purpose of inducing any other person to purchase shares of the Company, or to constitute an offer or solicitation for purchase in respect of any such shares. The signatories to this Filing Statement consider that there are no other material facts in respect of the matters referred to under Item 1 thereof, or in respect of the Company's affairs not disclosed by this Filing Statement, the Annual Report of the Company for the year ended June 30, 1968 and the Interim Report for the six months ended December 31, 1968, or other information filed herewith.																		

DATED April 11, 1969

#### CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

E. G. Battle, Director

W. A. Loucks, Director

CORPORATE  
SEAL

#### CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)



